

April 2007

U.S. Almond Exports Set To Increase

Summary

U.S. almond production is estimated at 496,684 metric tons, shelled basis, for marketing year 2006/07 (August–July), up 20 percent from last year. For 2006/07, U.S. almond exports are forecast to increase to 375,000 tons as the demand for U.S. almonds overseas will strengthen as a result of continued market promotion campaigns, tariff reductions, and measures that address food safety concerns.

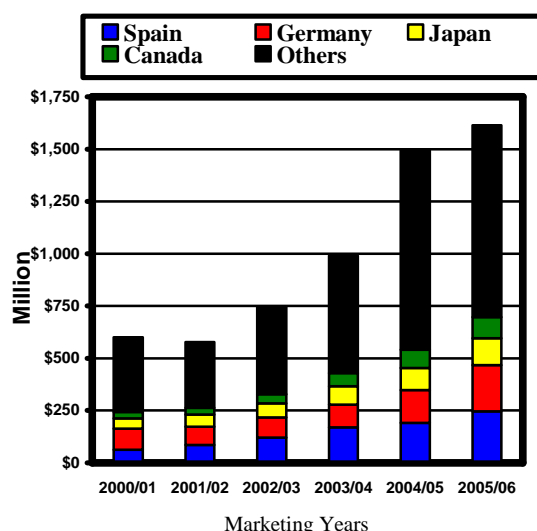
U.S. Shelled Almond Production Could Reach Record High

According to USDA/National Agricultural Statistics Service (NASS), the 2006/07 shelled crop is estimated at a record 496,684 tons, up 20 percent from last year, based on 234,718 bearing hectares, unchanged from the previous year. Despite a low accumulation of chilling hours that resulted in an early bloom, major hail damage, and wet, cool conditions that hit some early varieties, this season's nut set appears strong overall. U.S. grower prices are expected to decrease from last year's level due to higher output and supply availability.

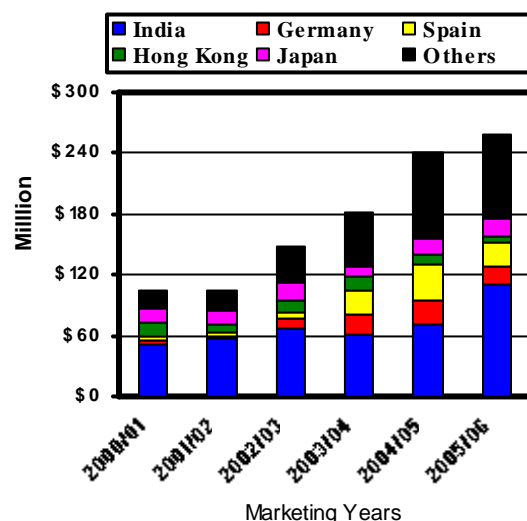
Overseas Demand for U.S. Almonds

Lower almond prices are expected to push U.S. shelled almond exports to 375,000 tons, up 14 percent from last year. Spain, Greece, and the Netherlands continue to be major destinations for U.S. almonds. Spain's 2006/07 almond production is estimated at 68,000 tons, up 7 percent from last year. Spain's exports of processed almond products continue to increase, which will sustain demand for U.S. almonds. The volume of U.S. shelled almonds to the Netherlands will continue to grow due to increasing demand from the snack food, confectionary, and food processing industries. Additionally, Greece's almond production is expected to increase 7 percent from last year to 15,000 tons, due mainly to good weather. Opportunities for U.S. almond exports to Greece remain high due to increasing demand and export potential for Greece's tree nut processors.

Top U.S. Shelled Almond Export Markets



Top U.S. In-Shell Almond Export Markets



Source: Department of Commerce, U.S. Census Bureau

Russia's Tariff Reductions and Turkey's Duties Increased

On February 26, 2007, the Russian government temporarily lifted import custom tariffs for shelled cashew nuts, shelled almonds, shelled hazelnuts, and sesame seeds from the previous rate of 5 percent. The tariff will be lifted for nine months. Nuts and seeds are important for the Russian confectionery and snack food industries. In 2005, Russia imported 54,643 tons of nuts, valued at \$72 million with prepared or processed nuts accounting for 23 percent of imports. In 2006, U.S. shelled almond exports to Russia were 5,428 tons, up 13 percent and valued at \$28 million, down 1 percent from the previous year. The tariff elimination will increase availability of U.S. almonds for Russia's consumers.

On October 11, 2006, the Turkish government published duty increases for all almond imports. The duties are now at 43.2 percent for shelled and in-shell almonds, and 59 percent for processed almonds. Within the framework of the monitoring decree, the cost, insurance, and freight (CIF) reference values could be adjusted according to market conditions. It appears that the new higher duties have not adversely affected U.S. almond exports to Turkey. To date, the volume of U.S. almond exports to Turkey for 2006/07 is 2,495 tons, up 283 percent from last year.

Turkey: Import Reference Prices for Almonds

HS Code	Description	CIF VALUE (\$US/Ton) 3-03-2005 thru 9-15-2006	CIF VALUE (\$US/Ton) 9-16-2006 thru 10-24-2006	CIF VALUE (\$US/Ton) Valid 10-25-2006
0802.11	Almond in-shell	2,400	2,600	3,000
0802.12	Almond shelled	4,000	5,000	6,500

EU Bound Almond Shipments Under More Scrutiny for Aflatoxin

The United States remains concerned about possible trade disruptions in U.S. almond exports to the European Union (EU) resulting from the implementation of proposed measures for aflatoxin testing. The EU standard for aflatoxin in almonds is 4 parts per billion, while the U.S. standard is 20. The EU has rejected a number of U.S. almond shipments during port of entry inspections due to high levels of aflatoxin. In 2003, U.S. almonds had fewer than five containers of almonds rejected in the EU for aflatoxin, while last year, the number of U.S. containers rejected exceeded thirty-five. As a result, the European Commission proposed measures that would require 100 percent testing of U.S. almonds entering the EU. However, U.S. almonds entering under the California Voluntary Aflatoxin Sampling Program (VASP) program would be subject to 5 percent mandatory testing. The VASP would provide uniform sampling and testing of all Californian almonds destined for Europe. At the request of the Almond Board of California, USDA developed and now manages an approved laboratory program for the testing of almonds for the presence of aflatoxin. Laboratories wishing to participate in the program must meet specific quality requirements which include the testing of proficiency check samples and annual onsite laboratory reviews. U.S. almond exports to the European Union represent a \$1 billion market.

Overseas Marketing and Promotion

The Market Access Program (map) aids in the creation, expansion, and maintenance of foreign markets for U.S. agricultural products. Map funds are utilized to promote U.S. almonds in key markets. The almond industry as a whole maintains the core markets of Western Europe and Japan. With map support, the Almond Board of California (ABC) focuses on communicating the health and nutritional benefits of almonds in growth markets such as Thailand, Mexico, and Hong Kong. California exports two-thirds of its total crop to more than 80 countries throughout the world.

The USDA Production, Supply, and Distribution (PSD) database contains data on shelled almonds for the United States, Greece, India, Italy, Spain, and Turkey.

<http://www.fas.usda.gov/psdonline/psdhome.aspx>

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